Generation of Employment Opportunities, Check on Rural Migration and Other Benefits of MGNREGA-A Case Study of Hanumangarh District of Rajasthan

A Synopsis

Submitted in

partial fulfillment for the degree

of

Doctor of Philosophy

(Management)

Supervised by

JV'n Dr. Md. Noor Alam

Submitted by

JV'n Ms. Jyoti Poonia

Department of Management & Commerce
Faculty of Management & Humanities
Jayoti Vidyapeeth Women's University, Jaipur (Rajasthan)

May, 2011

INTRODUCTION

The National Rural Employment Guarantee Act (NREGA), 2005 is landmark legislation in the Indian history of social security legislation after independence. Enacted after a successful struggle for an employment guarantee legislation, this legislation is a partial victory towards a full-fledged right to employment in any developing country context.

For the first time, right to work has been made a legal compulsion and entitlement for unemployment allowances in case of non-allotment of employment assured through this Act. MGNREGA is a unique and unprecedented effort in strengthening grass-root democracy in India**.**

The National Rural Employment Guarantee Act, 2005 (No. 42 of 2005) (hereinafter referred as NREGA or the Act) was enacted on 25th August, 2005 and it came into force on 2nd February, 2006. The NREGA was renamed the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) on October 2, 2009.

The Act aims at "*enhancing livelihood security of households in rural areas of the country by providing at least one hundred days of guaranteed wage employment in a financial year to every household whose adult members volunteer to do unskilled manual work*

Highlights of MGNREGA:

Eligibility:

Any person who is above the age of 18 and resides in rural areas is entitled to apply for work.

Entitlement:

Any applicant is entitled to work within 15 days, for as many as he/she has applied, subject to a limit of 100 days per household per year.

***All information regarding MGNREGA is from the website of the Ministry of Rural Development Government of India**

Distance:

Work is to be provided within a radius of 5 kilometers of the applicant's residence if possible and in any case within the Block. If work is provided beyond 5 kilometers, travel allowances have to be paid.

Timely payment:

Workers are to be paid weekly or in any case not later than a fortnight. Payment of wages is to be made directly to the person concerned in the presence of independent persons of the community on pre-announced dates.

Unemployment Allowance:

If work is not provided within 15 days, applicants are entitled to an unemployment allowance: one third of the wage rate for the first thirty days, and one half thereafter.

Worksite facilities:

Laborers are entitled to various facilities at the worksite such as clean drinking water, shade for periods of rest, emergency health care, and crèche.

Employment Guarantee Scheme:

Each State Government has to put in place an "Employment Guarantee Scheme" within six months of the Act coming into force.

Permissible works:

A list of permissible works is given in Schedule I of the Act. These are concerned mainly with water conservation, minor irrigation, land development, rural roads, etc. However, the Schedule also allows "any other work which may be notified by the Central Government in consultation with the State Government.

Implementing Agencies:

Works are to be executed by "implementing agencies". These include, first and foremost, the Gram Panchayats (they are supposed to implement half of the works), but implementing agencies may also include other Panchayati Raj Institutions, line departments such as the Public Works Department or Forest Department, and NGOs

Contractors:

Private contractors are banned.

Decentralized planning:

A shelf of projects is to be maintained by the Programme Officer, based on proposals from the implementing agencies. Each Gram Panchayat is also supposed to prepare a shelf of works based on the recommendations of the Gram Sasha.

Transparency and Accountability:

The Act includes various provisions for transparency and accountability, such as regular social audits by the Gram Sabah, mandatory disclosure of muster rolls, public accessibility of all documents, regular updating of job cards, etc

Participation of women:

Priority is to be given to women in the allocation of work, "in such a way that at least one-third of the beneficiaries shall be women".

State Council:

The implementation of the Act is to be monitored by a "State Employment Guarantee Council"

Cost sharing:

The Central Government has to pay for unskilled labour wages and 75% of the material and semi-skilled, skilled labour wages. State governments have to pay the 25% of the material costs and unemployment allowance, if liable.

Changing coverage of MGNREGA

The Act was notified in 200 districts in the first phase with effect from 2nd February, 2006 and then extended to additional 130 districts in the financial year 2007-2008 (113 districts were notified with effect from April 1st 2007, and 17 districts in UP were notified with effect from May 15th 2007). The remaining districts have been notified under the NREGA with effect from April 1, 2008. Thus, NREGA covers the entire country with the exception of districts that have a hundred percent urban population.

Objectives

The main objective of the Scheme is: "To provide for the enhancement of livelihood security of the households in rural areas by providing at least 100 days of guaranteed wage employment in every financial year to every household whose adult members volunteer to do unskilled manual work".

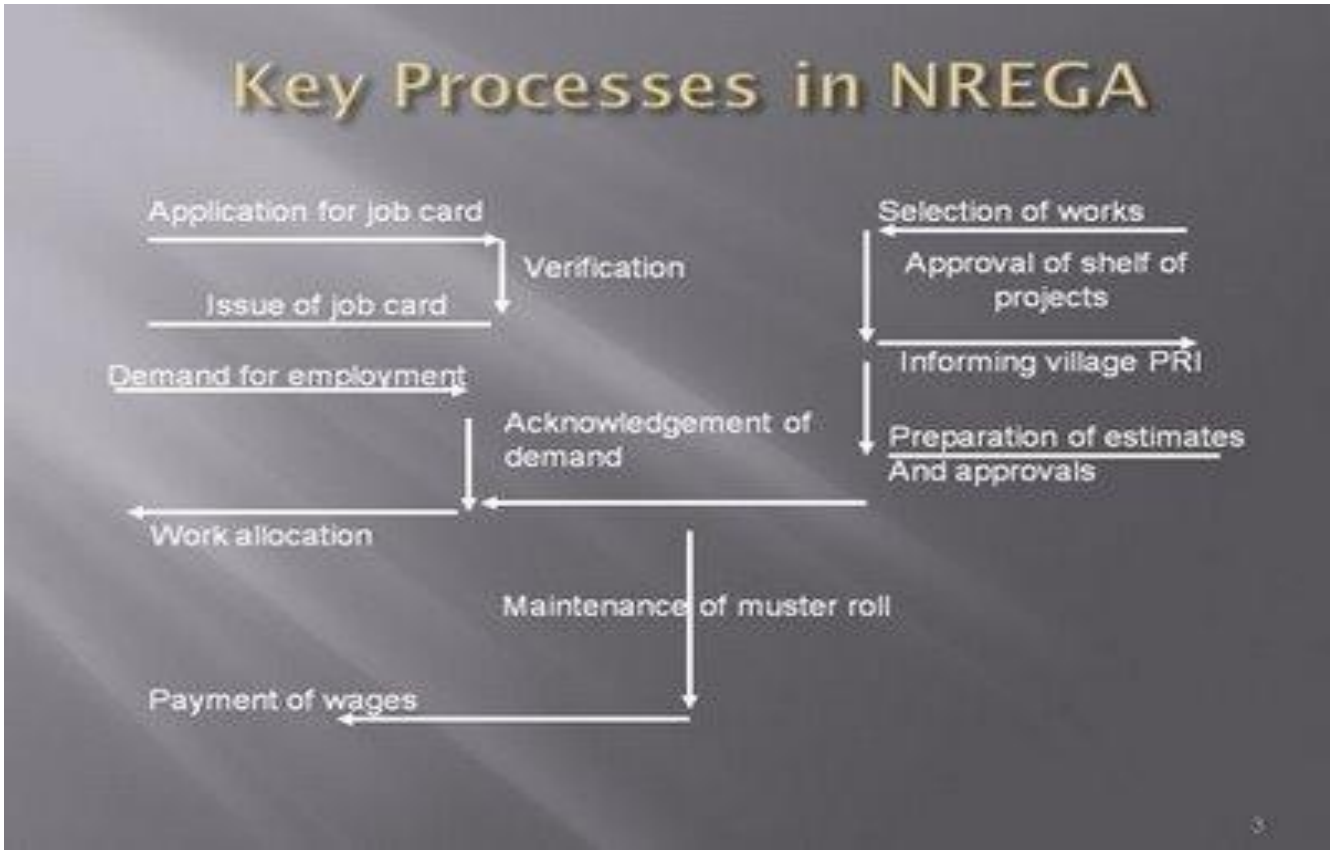
Other objectives are:

- Reduction of distressed migration from the rural to urban and from one part of the rural to another part of rural areas.
- Creation of durable assets in villages.
- Invigoration of civic and community life and enlivening of Panchayati Raj Institutions (PRIs) (the village level democratic bodies), as they have been entrusted to formulate, implement and monitor the scheme.
- Empowerment of rural women by providing them the opportunity to earn income independently and to participate in social groups (workers).
- Overall development of the rural economy.
- Promotion of inclusive growth and development.

Key Processes of MGNREGA:

1. Adult members of rural households may apply for employment if they are willing to do unskilled manual work submitting their name, age and address with photo to the Gram Panchayat.

2. The Gram Panchayat registers households after making enquiry and issues a job card. The job card contains the details of adult member enrolled and his /her photo.
3. Registered person can submit an application for work in writing (for at least fourteen days of continuous work) either to Panchayat or to Programme Officer.
4. The Panchayat/programme officer will accept the valid application and issue dated receipt of application, letter providing work will be sent to the applicant and also displayed at panchayat office.
5. The employment will be provided within a radius of 5 km: if it is above 5 km extra allowances will be paid.
6. If employment under the scheme is not provided within fifteen days of receipt of the application daily unemployment allowance will be paid to the applicant



Significance of MGNREGA

In rural India, one major problem is of seasonal employment, i.e. a large number of people have to face lack of employment during certain times of the year. Because of this, many communities, in the dry and drought prone areas, have to migrate seasonally to other parts of the country in search of work. This annual migration is a painful and disruptive process. Those who are left behind also do not have enough to eat or the barest money for other basic necessities and although there may be no famine, there is surely a slow malnutrition and starvation. Even when communities do not migrate they suffer a great amount of distress at such times. Their food intake is reduced, the children are withdrawn from schools, they go into debt and they are unable to attend to their health problems. At such times the need for a safety net is felt and MGNREGA is a very good protection for this problem.

- Another question is whether a law is necessary or a scheme can work as well. The advantage of right of decision-making and the need for employment cannot be directly expressed by people. NREGA overcomes this problem and relates supply of employment directly to demand.
- It is most necessary to promote organizing so that people can have a formal framework of accessing resources and schemes. And also so that they have a voice to decide where and how resources are allocated. NREGA, also by giving a right, helps people to organize themselves and to come together to represent a view

OBJECTIVES

- To study socio-economic profile of beneficiaries before and after MGNREGA.
- To study employment opportunities generated through MGNREGA.
- To record migration status of rural people after implementation of the MGNREGA act.
- To explore the increase in purchasing power of beneficiaries through MGNREGA.
- To study the result of social audit of MGNREGA

REVIEW OF LITERATURE

- Annual Report Ministry of Rural Development (April 2006 – March 2007) [1] reveled that in case of supplementary income, the total expenditure Annual under NREGA was Rs. 8812 Cr., Out of which major share of expenditure in shape of wage earning of labors that is Rs. 5834.21Cr
    - This Report narrated that to achieve main objective of the NREGA that is to meet the employment demand, the number of household demanding stands at 2.12 Cr. And 2.10 Cr. Household were provided employment under this act.
    - This report narrated that 62% was share of SC/ST households in getting employment under NREGA.
    - Reported that in case of choice of work under NREGA, highest priority that is 54% was given to water conservation followed by providing irrigation facility to the land owned by SC/ST 10% land development 11%, rural connectivity 21% and any other activity 4% in 2006-2007etc
- Annual Report Ministry of Rural Development (April 2008 - March2009) [2] reported that in case of increasing employment opportunity 4.51 Cr. household were provided employment and 216.32 cr. Person days of employment was generated 2008-2009.
    - This Report narrated that to achieve main objective of the NREGA that is to meet the employment demand, 4.15cr.household were provided employment in the financial year 2008-2009. Further it is to mention here that Rajasthan was at the top in providing employment under NREGA.
    - Reported that in case of choice of work under NREGA, highest priority that is 46% was given to water conservation followed by providing irrigation facility to the land owned by SC/ST 20%, land development 18%, and rural connectivity 50% etc.
    - Reveled that in case of supplementary income, average household earning have increased from rupees 2795 (2006-2007) to 4060 in the year 2008-2009.
- Institute of Applied Manpower Research(IAMR) (2007) [3] in an evaluation study on MGNREGA(A survey of 20 district) depicted that 73% of the household were having up to 3 wage earners in a single job card. Nearly 23% of households had enrolled up to 6 family members as potential workers.

- This evaluation study on MGNREGA depicted that on an average, nearly 5% of the survey households agreed that the job cards were surrendered to gram sabha officials and only during work allocation they were handed over to them for getting entries of the wages.

- This evaluation study on MGNREGA about time lag between application and issue of job cards reported that two-third of the served beneficiaries agreed that job cards were issued to them within 15 days of the applications.
- This evaluation study on MGNREGA regarding number of visits by the households purely for the purpose of obtaining job cards reported that 58% respondents obtained the job cards by visiting the gram Sabha office only once. Whereas 9% respondents visited the gram Panchayat office more than twice.
- This evaluation study on MGNREGA reported that there is a provision of waiting period duration after seeking for employment through application within 15 days time. It further reported that only 71.5% of the job seekers were provided employment with in the stipulated time period of 15 days, whereas 7% of the respondents were provided employment after 3 weeks.
- This evaluation study on MGNREGA regarding mandatory provision of providing transport allowances to the job card holders in the event of work site falling beyond the distance of 5 km., it was found that no such allowances were paid in spite of working in sites falling beyond the stipulated distance.
- This evaluation study on MGNREGA about the provision of providing 100 days employment to each households, it was found that only 4.5% of job card holders did utilize more than 35 days or wage per family. Most of the beneficiaries did not utilize up to 100 days since the scheme was in initial stage.
- This evaluation study on MGNREGA about recording of the attendance at the work site reported that 53% of the participant could not put their signature on the record and recorded their attendance by thumb impression, in the eastern region due to being illiterate.

➢ Jaswal Anshuman and Mistry Paulomee (2007) [4] a study summary reported on "will MGNREGA ensure security against hunger in Gujarat, Rajasthan, Madhya

Pradesh ,Maharashtra concluded that 42% of the cases creation of new ponds and depending or cleaning of existing once was undertaken 26% of cases, work related to road construction and maintenance was provided, check-dam related work formed16% of the case, rest of the cases comprised of work like canal maintenance and mud –work (digging and carrying) hence it is clear that the emphasis is on creation of assets which form a part of the basic infrastructure for the community

- This study concluded that as many as 85% of the respondents, lived in kuchha (mud) housing. This is certainly a very high number and is an indicator of the poor economic status of the respondents

- Mathur, Lalit (2007), [5] "Employment guarantee progress so far" depicted in the finding that MGNREGA could act as a great agent of socio-economic upliftment and providing live hoods security of poorest of the poor in India. If implemented earnestly. The employment and the earning under MGNREGA should be treated as additional avenue for such households.

- Ghuman, Ranjit Singh (2008) [6] in a study on MGNREGA in rural development in Panjab reported that 91.3% workers were in the age group of 18-50 years and 1.2%was more than 65 years in the entire district. The remaining 7.5% workers were in the age group of 51-65 years
- Study of MGNREGA in rural employment in Punjab concluded that all 10 sampled Panchayat could generated employed for 4587 days during 2006-2007 and for 1644 days during 2007-2008. This means 73.6%man days of employment were generated in the first year of the implementation of the act and only 26.4% in the following year on an average every person who has called for work could get work, worked for 49.45 days in a period of 2 years

- Pankaj K. Ashok (2008), [7] in study on process, institution and mechanism of implementation MGNREGA: impact assessment of Bihar and Jharkhand reported

that in some village of Gaya district, the migrate family had stop going outside after getting wage employment under MGNREGA in 2006 however in 2007, they were not provided employment under MGNREGA never the less they stayed at their home in the expecting that they would get some employment. Taking advantage of the unemployment and the lake of opportunities. Some petty traders engaged these workers in the making of increase stick on a very low wage rate.

- Study reported that an examination of the migration trends among the beneficiaries households in Bihar suggest that there has been decline in migration science advent of MGNREGA, through this decline is not very substantial, about 35% of the beneficiaries households consisted in migrated in 2006 but this figure come down 23% in 2008, signifying a decline of about 12% in 2 years which is not insignificant.

METHODOLOGY

This chapter describes the method of investigation which deals with the descriptive research with special reference to the statistical tools and techniques employed for the collection of data, in light of the objective of the study.

Further, it includes the following parts:

- Locale of the study
- Population and sample selection
- Sampling design
- Construction of tool
- Tools and techniques of data collection
- Collection of data
- Analysis of data

Locale of the study:

The area of study must be determined, so that the whole procedure does not become lengthy and affect the item setting during study. This study will be carried out in Hanumangarh district of Rajasthan state. The district will be purposively selected for the study as MGNREGA as this programme is well established in Hanumangarh district.

Secondly the researcher is a native of this district and is well versed with the local dialect.

Hanumangarh district contains seven panchayat samities and for the present investigation Pilibanga panchayat samiti will be purposively selected.

Pilibanga Panchayat samiti contain thirty three Gram Panchyats, out of which 1/3 Panchyats are i.e. those 11 Panchayats where highest activities are undertaken under NREGA will be selected for the present investigation.

Population and Sample selection:

1**) Population** – population for the study will be comprised of all those beneficiaries covered under MGNREGA.

Since it will not be possible to study the entire population of beneficiaries, sample will be drawn from above mention population

2) Sample selection-A list of the beneficiaries will be obtained from the gram Panchayat and 20 respondents from each Panchayat [11] will be randomly selected so the final sample size will be 220

3) Sampling design - In the study random sampling design will be used for the respondents

4) Limitation of the Study

- Study will be delimited to beneficiaries and functionaries of MGNREGA act
- The present study will be confined to Pilibanga Panchayat samiti of Hanumangarh district.

5) Construction of tool- To find out the discriminative power and usefulness of the item chosen for the schedule it will be presented to a number of experts (subject matter specialist) including administrators, educationist, language experts, social scientist with a request to go through the response pattern and suggest modifications if any. After receiving the expert comment necessary changes will be made in the schedule.

6) Tools and Techniques of Data Collection - The purpose of the study is to measure the role of MGNREGA in overall rural development and to achieve these objectives an interview schedule will be developed after consultation with all related experts. This schedule will contain five major parts which will be measuring major objectives.

1) This section of schedule will be deal with general information of the respondents related to their socio-economic status.

2) This section of schedule will be developed to study the employment opportunity generated through MGNREGA. The list of activity undertaken through MGNREGA will be collected from experts of MGNREGA. Items will be selected to measure the impact.

3) This section of schedule will be designed to record the migration status of rural people after implementation of MGNREGA act. A number of questions /items will be prepared to record the migration status

4) This part of schedule deal with question related to increase in purchasing power of MGNREGA beneficiaries

5) This part of schedule will contain question pertaining to results of social audit on MGNREGA. The results will be measured through framing Questions related to social audit after thorough discussion with subject related specialists and field functionaries of MGNREGA.

7) **Collection of Data -** For data collection interview schedule will be used by the researcher. The researcher will personally conduct interview with the respondents to collect the data.

8) **Analysis of Data -** The data so collected will be suitably coded, tabulated, analyzed and interpreted to draw the conclusion.

REFERENCES

1. Annual Report Ministry of Rural Development (April 2006 – March 2007)

2. Annual Report Ministry of Rural Development (April 2008 – March 2009)

3. Institute of Applied Manpower Research (2007) "Evaluation of NREGA"(A survey of 20 District)

4. Jaswal, A and Mistry P (2007) "Will MGNREGA ensure a security against hunger" –A case study summary report

5. Mathur L (2007) "employment guarantee: progress so far" EPW vol. 52, december29 2007 to January for 2008, PP.17-20

6. Pankaj, K. Ashok (2008) "Process, Institution and Mechanism of Implementation MGNREGA": impact assessment report of Bihar and Jharkhand

7. Singh GR, (2008) "NREGA and Rural Employment in Punjab"